

Medi-Cal Program Guide Letter #643

July 29, 2008

Subject	TREATMENT OF CERTAIN PAYMENTS RECEIVED FROM THE VETERANS ADMINISTRATION: AID AND ATTENDANCE PAYMENTS AND PAYMENTS FOR UNUSUAL MEDICAL EXPENSES
Effective Date	Upon Receipt
Reference	MEM Letter No. 310
Purpose	To inform staff of policies and procedures regarding treatment of payments for Aid and Attendance (AA) and payments for Unusual Medical Expense (UME) benefits from the Veterans Administration (VA) to an individual.
Background	<p>AA payments provide financial assistance to eligible individuals who are unable to take care of their own needs either in their own home, or in a nursing facility.</p> <p>UME benefits are reimbursement payments paid to some veterans for high medical costs.</p>
Changes	<p>The Medi-Cal Eligibility Procedures Manual clarifies the following regarding AA and UME payments:</p> <ul style="list-style-type: none">• AA payments received by an individual residing at home are exempt.• AA payments received by a Long-Term Care (LTC) person with a community spouse or minor child are exempt when determining the LTC person's share of cost.• AA payments are excluded from the LTC person's income prior to determining income available to allocate to the community spouse under Spousal Impoverishment rules.• The amount of an AA payment given to the community spouse is countable income to the community spouse when determining his/her unmet needs.

Continued on next page

Medi-Cal Program Guide Letter #643, Continued

-
- | | |
|-------------------------------|--|
| Changes
(continued) | <ul style="list-style-type: none">• The first \$90 of an AA payment received by an LTC person who does not have a community spouse or minor child is exempt.• The \$90 exemption applies to veterans as well as their widows or widowers. |
|-------------------------------|--|
-

Automation Impact	None. CalWIN currently budgets AA and UME income appropriately.
--------------------------	---

Required Action	Workers must ensure that cases which include VA payments, including AA and UME payments, are using the correct amount of income in the budget.
------------------------	--

Forms Impact	None.
---------------------	-------

Quality Assurance Impact	Effective with August 2008 review month, Quality Assurance will cite the appropriate error on any case that does not comply with the requirements outlined in this letter.
---------------------------------	--

Summary of Changes	The table below shows the changes made to the Program Guide.
---------------------------	--

Article	Changes
MPG Article 10, Section 3	Clarifies the different ways in which AA and UME payments may be budgeted.

Filing Instructions	The table below shows how to file the Program Guide material.
----------------------------	---

Step	Action
Remove	10-3-ii
	10-3-10 through 15
Replace	10-3-ii
	10-3-10 through 15

Continued on next page

Medi-Cal Program Guide Letter #643, Continued

**Important
Notice**

The MPG is available in its entirety on the County Intranet by accessing <http://hhsa.intranet/manuals/mpg/index.html>. The MPG revisions listed in this letter will be entered into the Intranet MPG at the next update.

**Manager
Approval**

ORIGINAL SIGNED BY:

Dann Crawford, Assistant Deputy Director
Medi-Cal, CMS, General Relief and CAPI Program Administration
Strategic Planning and Operational Support

EC